



FOR IMMEDIATE RELEASE

May 10, 2011

**CITY OF SAN DIEGO
MAYOR JERRY SANDERS**

**MAYOR SANDERS APPLAUDS CITY COUNCIL
FOR SUPPORTING HIS MONEY-SAVING REFORMS**

The City Council voted today to support two of Mayor Jerry Sanders' reform measures – one ending terminal leave for thousands of current city employees, the other modifying pension benefits for future hires in the police, fire and lifeguard departments.

“By supporting my reforms, the City Council has taken a positive step to save taxpayer dollars,” the mayor said. “These are common-sense ideas that will help save money for vital city services while also putting our employees’ benefits more in line with the private sector.”

The city could save as much as \$1 million a year by ending terminal-leave benefits for roughly 5,600 city workers. Terminal-leave benefits allow employees to accrue vacation and service time, keep health insurance and retain certain other city benefits for a certain period of time after retiring or quitting their jobs.

By reforming pension benefits for future police, fire and lifeguard hires, the city will save money on future pension costs. The Council voted in support of a series of changes to the pensions of these future hires, including reducing the multiplier used to calculate the pensions of employees with at least 20 years of service who retire at age 50. These employees must now work until 55 before qualifying for the higher multiplier. Under the changes, the size of an employee’s pension will be based on the average of that worker’s three highest annual salaries rather than his or her single highest annual salary.

These changes will apply to all lifeguards hired after June 30, 2011 and all police and firefighters hired after Jan. 1, 2012.

###